

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 31, 2008

Bill Number: S.B. 1050

Author: Verdin and Ryberg

Committee Requesting Impact: Senate Transportation

Bill Summary

A bill to amend Chapter 3, Title 56 of the 1976 code, to provide that the Department of Motor Vehicles (DMV) may issue Operation Desert Storm-Desert Shield veterans license plates, Operation Enduring Freedom veterans license plates, and Operation Iraqi Freedom veterans license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$11,400, and also raise Motor Vehicle License revenues within the state's General Fund by \$12,600 in FY 2008-09.

Explanation

This bill authorizes DMV to issue three, new series of special license plates to those veterans with verifiable active duty service in following military operations: Operation Desert Storm-Desert Shield, Operation Enduring Freedom or Operation Iraqi Freedom. A special fee of \$20 applies to each plate and is in addition to the regular biennial registration fee (\$20-\$24 for autos, based on age; or \$30 for light trucks). A minimum of 400 prepaid applications for the plate or a deposit of \$4,000 and a marketing plan approved by DMV is required for production. Notwithstanding other provisions of law, special fee proceeds that are net of production costs retained by DMV must go to the state's General Fund.

Based on minimum sales per series of 400 tags in the initial year, at \$20 each, we expect a gross yield of \$24,000 in special fees (@1,200 total plates times \$20) in FY 2008-09. Of this amount, DMV would receive \$11,400 for production costs, based on an estimate of \$9.50 per plate. The balance of \$12,600 would go to Motor Vehicle Licenses within the state's General Fund.

Analyst: Di Biase

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).